

MINUTES OF MEETING  
INDIGO COMMUNITY DEVELOPMENT DISTRICT

A budget workshop of the Board of Supervisors of the Indigo Community Development District was held Tuesday, June 29, 2010 at 4:00 p.m. at the Conference Room at Cornerstone Suites, 1540 Cornerstone Boulevard, Suite 200, Daytona Beach, Florida 32117.

Present and constituting a quorum were:

Robert Welsh	Chairman
Kurt von der Osten	Vice Chairman
John Zeball	Supervisor
Thomas Leek	Supervisor
John McCarthy	Supervisor

Also present were:

Jim Perry	District Manager
Lynn Small	District Counsel

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order at 4:00 p.m.

**SECOND ORDER OF BUSINESS**

**Discussion of Fiscal Year 2011 Budget**

Mr. Perry stated you have one sheet that has an analysis that shows the budgets for 2006 through what was approved in 2011. I originally had done this with actuals but the actual numbers for at least the administrative section are very close to the budget numbers, so I went ahead and did it on a budget by budget basis for each of the years. After that we will go into the field services area. Kurt has a similar analysis like this that we can go through. I want to talk about the assessment analysis and the notice to landowners. This is somewhat informal but keep in mind based upon the discussion today staff will go back and use those comments to revise the budget. The board can't take any formal action today though. You have a copy of the proposed budget in front of you. I am going to go through the expenditure section. Starting in 2006 the board was not compensating supervisors and those amounts have been moved up as we have had residents come onto the board. The FICA expense is associated with those salaries. The engineering number is kind of all over the place. Some year's even though we budgeted

beginning in 2006 \$24,000 in the last three years \$10,000. We have never really gone over the budget for that amount but in light of certain things we are working on right now I think \$10,000 is probably a pretty adequate number for this year. It has been adequate in the past couple of years also. The tax collector is a line we don't anything budgeted for this year on. In 2008 there was \$1,000 budgeted and I believe there were some special reports ran at that time. We have been consistent throughout the years with District Counsel being at \$30,000 as the basic fee. They are on an hourly basis and we typically have not exceeded the budget for them. There were a couple years where we have but typically that is adequate. We did put a dollar amount in foreclosures for the attorney. Keep in mind, there is an amount in there for the attorney and District Manager to work on potential issues with CoastOak Group or any other possible foreclosures. What I have estimated is kind of on the high side but  $\frac{3}{4}$  of it would be paid by the bond funds and a quarter of it would be paid through the general fund because the bondholders have a vested interest in working through that foreclosure. When we did the budget we kept the \$8,000 in for the annual audit. If you recall last month we did approve a new audit firm. Their fee is \$4,500, so when we go through to adopt the budget we will reduce the \$8,000 to \$4,500. You will arbitrage numbers have gone down, especially for 2011. We used to work with Deloit, which is a CPA firm. They produce a report on an annual basis in regards to the bonds and it is an arbitrage calculation. You have to do it on an annual basis and do a summary report every five years but since they are tax free bonds in theory if you earn more than what the interest rate was on the bonds and those dollars go back to the Federal Government. We have worked with this group called Amtech and if you remember we approved an agreement with them earlier this year and the fee for all bond issues is about \$1,800, so we have saved quite a bit of dollars in regards to that. We are using them on other Districts, also. I feel that number is very tight. In trustee fees is \$11,000 and that is on a contractual basis and that is related to the three bond issues. I don't think there is any movement in that at all, even if we were to change trustee's it would probably end up being more than that. Dissemination agent is related to the bonds also and that is by contract with Prager Sealy. Those dollars are fairly firm and for three bond issues that are very reasonable. They typically start out at \$5,000 for the initial bond issue and then \$1,000 for each additional one. After that you have a special assessment roll services and that is contracted with GMS here. The reason we increased it this year from last year is we are working with the county tax collector and now they have been able to sort our roll. In the past we were

only able to put two line items on the roll itself; a bond number and an O&M number. Now we can break it down to each of the bond issues, so we have to go back and redo the roll, so now lands that have the 2005 bonds will be specifically denoted with the 2005 bonds. We have to rework the roll and that was the reason for the increase. Management fees are with GMS and we have held those constant for the last three years. Due to these times and everything else we believe those are adequate and we are not passing along any increase to our clients. Management fees foreclosures is an hourly basis and that is related to anything with CoastOak Group or foreclosure processes on delinquent lands that are not paying their assessments. Computer time is a pass through that is a cost directly from the service bureau for maintaining the District's accounting records on their system. Telephone is related to any of the phone calls that we use in our monthly meetings. We have a very reasonable rate. Postage is related to any mass mailings that we would do and that number we may be able to adjust. It is also related to the Fedex packages that go out to everyone.

Mr. Welsh asked if we have problems with CoastOak and we have to notify homeowners would that come under postage?

Mr. Perry responded yes. We have an option this year. In the past whenever we had an increase in assessments we would do a specific mailing to each of the homeowners and that would be a letter that would talk about the increase of assessments. We can do that this year like we have done in the past. Most of the language in the letter is required by statute, so District Counsel will advise us that we can't change a lot of the letter. We also have the ability this year to go on the trim notice, so we can put that increase on the trim, which is very favorable to the District. If we do a mass mailing it is not cheap. We are planning on going on the trim. We try to do that in the counties that allow Districts to do it. This is the first year the County has allowed us to go on the trim notice. We would like to do that to save dollars of course. There is a line item from rentals and leases. If you look at the trend for insurance in 2008 it went up to about \$33,000 and if you recall for those that were on the board this District and several others in the state we used the Florida League of Cities, which is not unusual for government entities. We moved away from them and went with a group called Preferred Government Insurance Trust or PGIT. We did that for a number of Districts and you can see the basic reason why. In the first year we were able to cut our insurance almost in half. We had further reductions over the last couple of years and we feel very good with PGIT. We have been working with them now for

four years. Florida League is very good but they are really geared toward counties and larger cities. Printing and binding is all the work for copies and binding of the agenda packages. Those are just passing through costs. Legal advertising is our monthly meeting notices that we and the annual notice and any notice of assessment increases. Other current charges is just a catch all if there is something that is administrative that we need to expense to. Office supplies number is probably a little bit high. We very seldom use that. Annual District filing fee is the fee that we have with the state that we are required to file on an annual basis. Capital outlay we don't have anything budgeted in for this year. The line of credit interest expense in 2007 we were looking at possible having to do a line of credit, so we had budgeted for that. Website administration is the annual fee for the District website. If you look from 2006 to 2011 on a global basis the overall costs have stayed pretty constant. The only item I added was the uncollected assessments item for the CoastOak Group for the \$400,000.

Mr. von der Osten asked who is the trustee?

Mr. Perry responded US Bank. In the State of Florida they probably do 97% of the Districts.

Mr. Welsh asked what do they do for that fee?

Mr. Perry responded they process the dollars associated with the assessments that come in they process them to the DAC and then they pay the bondholders. They also look at the compliance of the trust indenture with the bonds. They look to make sure the reserve levels are adequate, so they are going to be involved quite a bit this next year in tapping the reserves and that analysis. They also administer the construction accounts, so like the 2005 series has the \$6.7M in it, so if there are draws on that account the engineer does a requisition. They process that and then make the payment to the contractors. Of course there hasn't been any activity in that in a couple of years.

Mr. Leek asked do they invest them, as well?

Mr. Perry responded they do. I believe this District about two years we went through and discussed. They are currently invested with US Bank in one of their money market accounts. The interest earning is like .3% or .2%. By statute we are very limited to what they can be invested in as a governmental entity. We have looked at other investment vehicles for other Districts that have several millions of dollars in construction funds. In looking at the risk versus

the reward we have not been very aggressive, in fact they are invested in the same thing that this District is here. The idea is preservation of capital.

Mr. Welsh asked under attorney foreclosures and you come across here to \$3,799 and then projected are \$3,201, so the total budget for 2010 is \$7,000 and we are down \$2,000 less in 2011?

Mr. Perry responded the reason we did that was the bond funds will pay \$15,000 approximately, so what we are going to end up doing even though we are anticipating \$7,000 total for this year a portion of that we are going to charge back to the bond funds, so that is going to reduce that \$7,000 probably to about \$3,000. We are going to have more work.

Mr. Welsh asked but we can defer that back to the bondholders?

Mr. Perry responded correct. We haven't charged them back yet.

Mr. von der Osten stated the first handout is a year to year comparison back to 2008. I did include actuals. The next handout is a breakdown of each line item here. The first group is I95 operating expenses. The site manager covers my expenses and what is also in there is an office expense. That number also includes the overhead here at this office, so that is not really just the site manager personnel expense.

Mr. Perry stated there is only a portion of the office expense is in that line item.

Mr. von der Osten stated the way it is allocated is 18% is going to I95 and 82% to community. Landscaping over the years has remained very consistent. We have been either under budget or barely over. I think you will see where we took a jump was in 2010 was in lake maintenance when we switched contractors. You do see an increase in the lake budget starting in 2010. Plants replacements and annuals as you can see since 2008 it has been budget at \$20,000 per year up until this year it was reduced to \$10,000. In 2009 we didn't spend anything on plant replacement at the interchange and in 2010 we are projecting \$5,300, so the reduction to \$10,000 seems like a very conservative number. Utilities have been rather consistent and high. You do see \$30,000 budgeted this year that number will hopefully be less. I don't know if you noticed but we have adjusted the timers out there in the last month quite a bit to cut back on lights and fountains.

Mr. Welsh asked what is the time?

Mr. von der Osten responded midnight to daybreak.

Mr. Perry asked what was it before?

Mr. von der Osten responded all night. The fountains actually shut off at dark and the lights shut off at midnight.

Mr. Leek asked how long ago did you change the timers?

Mr. von der Osten responded over three weeks ago.

Mr. Leek stated I was just asking to see when we might see it in the bill.

Mr. von der Osten stated I think another month or so. Those lights in those fountains draw a tremendous amount of electricity. Over the years we have always come in under budget on the interchange.

Mr. McCarthy stated our contract with Consolidated Tomoka expires in September and we have to review that. Is lighting the letters part of the agreement?

Mr. McCarthy asked under the original contract that started 10 years ago was that part of it?

Mr. von der Osten responded I don't believe that agreement I don't believe it is not explicit.

Mr. Perry stated you have the proposed agreement in your agenda package.

Mr. von der Osten stated it is not that detailed under the description on what should be on and what should be maintained. It says those maintenance costs are consistent with established levels of landscape maintenance as reflected in the District annual general fund budget.

Mr. McCarthy asked what was the initial installation that we were responsible for and can we cut back completely and turn the lights off completely?

Ms. Small responded the interlocal agreement with the City is not explicit either. It is vaguer than the one with Indigo Development, LLC. Section 4.7 addresses landscape maintenance and it says, "The District shall be solely responsible for the installation, ownership, maintenance and repair of the landscape associated with the above described roads." I'm not even sure it talks about lights.

Mr. McCarthy asked how far legitimately can we back up to what was originally our responsibility with the palm trees there? If we wanted to cut back on expenses what could we cut back on?

Ms. Small responded there is not a lot of obligation on the CDD to maintain a certain level of service in the interlocal agreement with the City; however, the cost share agreement that we have with Indigo Development, LLC depends on established maintenance levels. The CDD

can decide if they want to cut back on all these levels and not be in violation with this interlocal agreement with the City; however, if you want to present cost share that is another issue.

Mr. Welsh asked so what we are looking at is whether or not we can operate ourselves and do it cheaper than the 50%?

Mr. von der Osten responded or if you could drop it to 40%.

Mr. Welsh stated we could just operate everything on our own, therefore we could turn those lights off, and so LPGA isn't light at night.

Mr. Perry stated I don't see anything that specifically talks about lights at all.

Mr. Leek stated I guess we need to figure out what we can do and then we need to talk about what we want to do. I think it would be a mistake not to light it in some way.

Mr. Perry stated you are required to maintain landscaping.

Mr. Welsh asked who do the hedges belong to along the exit ramps?

Mr. Rountree responded the CDD.

Mr. von der Osten stated how the District wound up with an agreement with the City was the City applied for a grant from the state for landscaping, which described the landscaping, so the City utilized stated money to install landscaping. The City was willing to apply for the grant if another entity maintained it, which was the District.

Mr. Rountree stated the lighting according to the original agreement may be considered part of the landscaping because it is landscape lighting, in other words it is not street lighting. It is lighting up the landscape.

Ms. Small stated the consideration by the City was that the CDD was to maintain the landscape and in exchange for that the City wasn't going to charge you right-of-way user fees or anything associated with the maintenance and repair of the right-of-way. If you were to eliminate all your costs there this may put this agreement in jeopardy to the extent that the CDD is defraying those user fees that could be charged by the City.

Mr. Leek asked user fees for what?

Ms. Small responded it says that the City agrees on covenants that the District shall not be charged for any right-of-way user fees or other similar fees for installation repair and anything including utility system construction or the landscape maintenance, so anything that occurs in their right-of-way.

Mr. Leek asked so they would charge us for going onto their property to maintain the landscape.

Ms. Small responded I'm not saying that would happen. I'm saying that is a possibility.

Mr. McCarthy stated they have agreed to forego those fees, so that we could go ahead and maintain it.

Ms. Small stated it could be that the City sees it that they have to go in now and maintain it and now they are going to charge you. I'm not saying that is going to happen though.

Mr. Welsh asked, "Jamie, you do the islands, right?"

Mr. Rountree responded correct. We actually have a map that was part of the bid package that has everything highlighted on it. I didn't think to bring copies of it for everybody. You have the four sections that go down the onramps and off ramps. You have the median islands and then you have the four quads and that which is directly below it. To maintain it at the level of the existing landscaping now there is not a whole lot of places to cut because that which is there requires x amount of maintenance. Kurt has probably already made the biggest first step, which is cutting your electric back. To eliminate all the lighting is going to give you x amount of dollars, which is in essence only about 50% of what your contributor is contributing now. As your landscaper I was asked if I could do it for half of what it is now and the answer is no if it is going to stay in any kind of condition at all.

Mr. Welsh asked could we shorten those bunkers and pull out that Bermuda grass?

Mr. Rountree responded there are a certain amount of issues that could reduce the overall amount of labor. Areas such as the bunkers are going to reduce your overall maintenance budget. The bunker on the southeast quadrant we can eliminate altogether. It is nothing but a labor nightmare. I have to hand weed everything. The core grass is so thick in there you don't see it at all. Both of these bunkers are nightmares because they are so large. It is a cost initially but you are going to save in the long run. You can probably two or three pallets of Bahia sod, so you would reduce your labor costs three times what your sod costs were. I can cut grass a whole lot cheaper than I can weed it.

Mr. McCarthy asked but the City pays for that?

Mr. Rountree responded no. The CDD does. The beds we were talking about going along the exit ramps there are not a whole lot of maintenance to them. You would probably spend more money in sod than you would in maintenance. One of the areas when we went



through the last bidding process as far as Rountree goes there are on the southwest and the northeast quads pine trees with saw grass. We have let those areas underneath them go natural. Once or twice a year we will go in there and cut everything down and let it grow back up because the pampas grass has gotten so large in there you couldn't tell if we cut it or not, so it kind of became a mute point to cut it. From a vendor standpoint we could probably reduce the overall I95 budget not more than \$10,000 per calendar year overall and maintain the level of service we are now.

Mr. Welsh asked do we need a site manager for 95?

Mr. Perry responded I think you need someone.

Mr. Welsh asked but it could be a volunteer?

Mr. Perry responded yes.

Ms. Small stated I spoke with another shareholder at the firm today and he didn't see an issue with having a CDD resident volunteer their services but he was concerned about what expertise does a site manager require. Is it potentially going to be a detriment to the District not to have the expertise? He also mentioned the potential liability.

Mr. Leek asked what kind of liability?

Mr. Perry responded an example is there is a District in South Florida where there was a traffic accident and the landscaping at the intersection supposedly did not meet DOT line of site requirements and it wasn't trimmed properly, so the District was sued. There is liability there.

Mr. Leek stated but that doesn't go away no matter who the site manager is.

Mr. Perry stated it doesn't go away but if you are a volunteer you need to be aware that you have potential liability associated with that. You probably have more liability if this is the only District you do.

Mr. Welsh asked could you get insurance?

Ms. Small responded you can purchase insurance for your employees under the rules of procedure and under Chapter 190 but can you purchase for a volunteer I don't know. I don't know if they could be insured under the CDD. I would have to look into that.

Mr. Zemball asked having the manager as an entity does that reduce our liability as a CDD?

Mr. Perry responded if there is an accident out there and there is lawsuit regarding landscaping then he is going to be named on it. I would be named on it. The whole District would be named on it.

Mr. Welsh asked suppose that I would be the site manager and I would charge the District \$1?

Mr. Perry responded you would be an employee of the District.

Mr. McCarthy stated that is almost like going out for bids, which is an idea too.

Mr. Perry stated if we go down the road where they would be an employee of the District we would have to file a quarterly tax return, etc.

Mr. Leek asked if it were a supervisor who is already being paid \$200 a meeting would that add to the filing burden?

Mr. Perry responded no.

Ms. Small stated with respect to any management or anything that has to do with your position as a public official you would just need to recues yourself.

Mr. Perry stated you would have to recues yourself on the budget in regards to those items in regards to 95.

Mr. Leek asked is there any other issues besides the liability?

Mr. Perry responded I would have to think about it. We have Districts where there are supervisors that are contact points for different things, such as stormwater. They are the focal point for the community if there is an issue related to those certain things, so maybe that could be a way that this is structured.

Mr. Rountree stated the two lights on the north side are completely in the bunkers and getting mowers around those lights is just asking for one of them to get hit. The other thing about the two on the north side is they are more visible. The one on the south side is totally hidden.

Mr. von der Osten stated right now the repair person is requesting that we actually raise those light fixtures because of the sand washing into them.

Mr. Leek asked what about the light fixtures that is actually there? Is there some newer technology?

Mr. von der Osten responded LED. The functional life left on those lights is maybe five years at the most. Replacement of those lights is in the future. The majority of the repair bill that you see under the I95 is related to the lights.

Mr. Welsh stated we could get a bid for LED up-lighting and we could probably keep them on all night for what we pay now.

Mr. Leek stated that is something we can consider for next year.

Mr. Welsh stated I think we should do something down the line about the sprinkler system to. Are they battery operated on the interchange?

Mr. Rountree responded yes. When Ranger went through and did their repairs in 2005 or 2006 to 95 and widened it they cut all of our lines and unfortunately by the time we found out it was too late. The simplest fix for the District at the time was to use the battery operating on those. They are a pain and they don't last as long as a normal timer. If we are going to fix the irrigation then let's do it in the community because the overpass doesn't require the water that the community does.

Mr. McCarthy stated we could completely get rid of the maintenance on I95 and still be within our interlocal agreement with the City.

Mr. Zemball stated let's say we cut \$20,000 with Rountree and we cut half off of electricity.

Mr. Leek stated most of the \$8,000 in repairs goes away to.

Mr. Zemball stated if we did that we would cut \$50,000 and that would still keep Indigo happy. What is 40% of \$132,000?

Mr. Welsh responded \$52,000.

Mr. Zemball stated so we are at \$48,000 if we make those cuts and we get to keep the agreement and keep on the lights until 12. I only cut \$2,000 off the maintenance because I don't think that will go to half.

Mr. von der Osten stated we need to see if Indigo is acceptable to that revised level of service and then we would know if it is a plan we could move forward with.

Mr. Leek asked what about timing of the lights, do you think that would be a problem?

Mr. Moothart responded it would be up to my boss's discretion.

Mr. Perry stated the Auto Mall has been turning their lights off.

Mr. von der Osten stated this is 2010 versus 2011 and the highlighted columns are the ones you want to look at. In the site manager includes me and a portion of the office. If you see the \$41,329 projected for next year then \$8,044 is towards this office. I don't know if it is better to show this office in the administrative section of the budget or keep showing it under site manager here.

Mr. Perry stated the reason it is like that is the way the contract is written.

Mr. von der Osten stated maybe do an addendum and then you can really see how much is going to both.

Mr. Perry stated I think that makes sense that it is under administrative.

Mr. von der Osten stated I don't bill for any extras. 95% of my time is spent in the community. The landscape maintenance contract has remained consistent. The \$726,000 for this year is basically \$27,000 less than what I see actual being this year. Landscape maintenance is not only Rountree's maintenance contract but it also all the irrigation repairs and for the balance of this year I budgeted \$2,000 a month. Jamie and I have spoke on considerations of reductions. In the proposed budget for lakes is \$46,000 and that is actually a little high. I think we will finish up 2010 at \$38,000.

Mr. Perry stated so possibly we could reduce it \$7,000. We will adjust the budget to \$34,080 per the contract.

Mr. von der Osten stated if we put carp in it would be extra. Under plant replacements and annuals I am projected this year we will come in at \$11,700 under budget. We had budgeted \$35,000 for 2011. We do have three annual plant replacements and I think that is a minimum. A program that Jamie recommended that has worked over the last four to five years was to replace the juniper beds with turf.

Mr. Perry asked should we reduce that to \$25,000?

Mr. von der Osten responded yes.

Mr. Rountree stated when you go and replace the turf versus a three gallon juniper your cost is going to be about a third. The only thing about going to a minimal budget on your plant replacement is storm damage.

Mr. von der Osten stated we have typically under spent on the budget and that is why we have the reserves we do.

Mr. Perry asked does the board feel comfortable with the \$35,000 or would you look for a reduction? We do have maintenance reserves in this budget of \$42,000, so there is a catch there.

Mr. Rountree stated for plant replacement costs if you went from three to two replacements you would save \$5,000.

Mr. Leek asked so \$30,000 is the amount we want?

Mr. Welsh responded that is good with me.

Mr. von der Osten stated I have not made any adjustments to the timers inside the community. Our next step with the LED lighting is releasing it for bid.

Mr. Perry stated part of the issue with LED lighting is you would have to use cash unless we finance it.

Mr. von der Osten stated I was under the assumption we would be financing it.

Mr. Leek asked was the total capital expenditure for that?

Mr. Perry responded it was \$240,000.

Mr. Leek stated the minimum was \$200,000.

Mr. Welsh stated and we were looking at paying it off in two or three years.

Mr. von der Osten stated I think the key was being able to finance it. When we looked at the leasing rate then we reduced the repairs and the electrical savings. The net cost each month was almost even for the first three to four years and then after the savings would be on board.

Mr. Perry stated I spoke with Kurt and told him to hold off until we work through some of the issues with CoastOak Group because of the assessments. And anyone we are dealing with on a lease we would have to discuss financial condition.

Mr. Leek asked is there a way to do this piece meal where we have a section that is bad and it has 35 lights in it and we only replace a few at a time?

Mr. von der Osten asked so should we assume going forward we work with what we have with the lights we have?

Mr. Perry responded I don't think you have a choice.

Mr. Zemball asked could it be privately financed?

Mr. Perry asked when you say private what do you mean?

Mr. Zemball responded like a private party investment.

Mr. Perry stated it could be.

Mr. von der Osten stated the District would apply for the loan and the District is in default because we didn't receive full assessment, so that affects our credit rating. Another thing in the budget is \$4,800 this year for the two replacements for fountains three and four.

Mr. Welsh asked you said they were good for four years, right?

Mr. von der Osten responded those, maybe longer. For the street lighting lease the south assessment area the street lights are paid for. The lease includes the light fixture and the electricity to the light, so in the south you have pole mounted lights that are with FP&L.

Mr. Perry stated we need to pull that agreement and see if we can buy that out. You can use bond funds for that. The interest rate with FP&L is usually over 10%. The bondholders would not have a problem with that I'm sure.

Mr. von der Osten stated the miscellaneous line item is probably the single budget bust this year. It was budgeted at \$2,000 and then projected to come out at \$16,000. We didn't budget for pressure washing.

Mr. Perry stated for the maintenance reserves we did keep the same number of \$42,000 that we had last year. We could bring that down. It would lower the overall assessment.

Mr. Welsh asked when will the increase go out to the public?

Mr. Perry responded it would be on the trim, which is July. If it goes on the trim there wouldn't have to be a mailed notice.

Mr. Welsh asked they will find out before our CDD meeting in July that there is an increase?

Mr. Perry responded I'm not sure. I will have to look at the dates.

Ms. Small stated they will find out before the public hearing.

Mr. Perry stated assessments were not on the trim this year.

Mr. Welsh asked what would that lower the assessments by if we took that out of reserve?

Mr. Perry responded I don't know off hand. There is a different factor for non platted units versus platted. I'll send you another budget before our next meeting, which will show revised numbers.

Mr. von der Osten stated I do think if we are going to continue with the pressure washing we need to budget for it.

Mr. Rountree stated the entrances are done on a regular basis. The sidewalks and curbs is something the board will have to decide on but I think we are averaging every other year or every third year.

Mr. Perry asked should we add a line item for pressure washing for \$5,400?

Mr. von der Osten responded yes. I was at the arborist meeting and they are going to come back to us and ask if we could split the costs on some of the sidewalk repairs.

Ms. Small stated the arborist report reveals work on both sides.

Mr. von der Osten stated so there might be some sidewalk expense. If we pick up the expense of maintaining Renar Golf Community lakes then that is going to be a new expense.

Mr. Leek asked what is the likelihood that will happen?

Mr. von der Osten responded it is the mowing of the lake banks.

Mr. Perry stated most communities maintain the lakes themselves and typically the lake banks are done by the HOA or the homeowners that abut them. Really the mowing shouldn't come to the District.

Mr. von der Osten stated from what I understand Renar Golf Communities is pushing to dedicate the lakes to the District and the maintenance obligations.

Mr. Perry stated of the lakes, not the banks.

Ms. Small stated there is a difference between the lakes and the lake banks.

Mr. Welsh asked so then we would be responsible for mowing the lake banks?

Mr. von der Osten responded that is what he is after.

Mr. Perry stated we would just have to maintain water quality. We don't have to take the land, just the lake.

Ms. Small stated whatever was used to construct using bond proceeds needs to be either dedicated to a municipality or a county or it needs to be within the CDDs control. If lakes are constructed with CDD funds then the District should be owning or maintaining those or they convey them to whatever municipality. The plats were dedicated to the HOA erroneously. They should have been dedicated the land. Renar Development should have dedicated to Renar Golf Communities the land via plat. They should not have dedicated those lakes that were constructed with bond money to the HOA. They should have been conveyed to the CDD. I think that is how it was suppose to occur and it didn't. The lakes need to be re-conveyed.

**THIRD ORDER OF BUSINESS**

**Discussion of Assessment Analysis**

There being none, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Public Comment**

There being none, the next item followed.

**FIFTH ORDER OF BUSINESS**

**Adjournment**